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FM AMCONSUL LAGOS
TO RUEHC/SECSTATE WASHDC PRIORITY 9808
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STATE PASS OPIC BILL PEARCE

E.O. 12958: N/A

TAGS: [EINV](#) [ECON](#) [NI](#)

SUBJECT: OPIC-SUPPORTED INVESTMENT FUNDS IN THE REGION:
CAPIC

REF: A. STATE 16442

[1](#)B. LAGOS 76

[1](#)1. In response to reftel A, financial capital is needed to meet Nigeria's growing demand for middle income housing. Although Nigeria's middle-class is relatively small, affordable housing is in short supply across the country. Nigerian banks are well capitalized, but housing competes for funds with a myriad of other infrastructure needs. Consequently, outside financing will be necessary. Nigeria is targeting a GDP growth rate of 10 percent per year with the goal of becoming one of the world's top twenty economies by 2020. While those are admittedly ambitious goals, the Government of Nigeria understands the need for private sector funding to develop its currently inadequate infrastructure. Nigeria has not yet passed legislation on land reform, non-judicial foreclosure, or securitization that would support mortgage development (reftel B). The objectives of this fund are compatible with the government's desire for more private sector involvement in funding its development.

[1](#)2. African Capital Alliance is a well-known Nigerian private equity fund with an American citizen director who has extensive experience in Nigeria.

[1](#)3. Mission Nigeria encourages OPIC to support CAPIC Fund.

[1](#)4. This cable was cleared with Embassy Abuja
BLAIR